

Approved For Release 2002/04/03 : CIA-RDP71B00364R000500130005-4

TRANSMITTAL SLIP		DATE
TO: Office of Legislative Counsel		
ROOM NO. 7 D 35	BUILDING Hqs.	
REMARKS:  Attn: Mr. Maurey  LM file with BOB  HBS		
FROM: Claims Reviewing Officer		
ROOM NO. 1236	BUILDING Ames	EXTENSION

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Approved For Release 2002/04/03 : CIA-RDP71B00364R000500130005-4

**SECRET**

2 MAY 1969

**MEMORANDUM FOR THE RECORD**

**SUBJECT: Proposed Legislation to Amend the Military Personnel and Civilian Employees' Claims Act of 1964, as Amended (PL 88-558 as Amended by PL 89-185)**

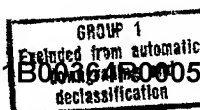
1. A legislative referral memorandum, dated 16 April 1969, from the Bureau of the Budget has requested the views of this and other civilian agencies concerning a State Department draft bill to amend the Claims Act of 1964. Briefly, enactment of the bill would raise to \$10,000 the current \$6,500 maximum authority of a civilian agency to settle and pay a claim. As a retroactive provision, a claim settlement heretofore limited to \$6,500 solely due to that maximum may be reconsidered upon claimant's written request within 1 year from date of enactment.

2. The Support Operations Staff/DDS forwarded a copy of the bill on 29 April 1969 requesting telephonic response as soon as possible. This was done immediately, orally, relaying our concurrence. We further pointed out that Agency claims adjudged meritorious in an amount exceeding \$6,500 may be allowed by the DDCI under the Director's special authority related to the unique mission of the Agency [REDACTED] 25X1A

[REDACTED]

3. It may be stated that virtually all Agency personnel claims adjudicated by the Headquarters Board of Survey involve some aspects of Agency relationships, security/cover factors, sensitive operational situations or other unique/unusual circumstances. Those aspects have a considerable bearing in settlement of each case upon its merits and broadly reasoned judgment, in a manner that would be fair to the particular claimant. All claims and settlements thereof are classified SECRET, or higher in a few instances. These are the principles underlying the Agency's implementation of the Claims Act's authority with its special authority.

4. The Board has been aware that State would propose raising the claim maximum for civilian agencies to the same maximum that the military services had received in 1965 under PL 89-185. In addition, the Army Claims Headquarters at Fort Holabird advised on 14 March 1969 that it is sponsoring legislation to delete the requirement that annual reports of claimants' names and settlements be made to the Congress. Both

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proposals have been discussed favorably and informally with the sponsors. In view of additional authority connected with the nature of the Agency, we cautiously chose not to be a sponsor or active party to the proposals. We feel, however, that both proposals would obviously be beneficial to the Agency's interests.

5. Enactment of the retroactive proposal would create no problem. Records of the Board indicate that only four cases were favorably considered in the amount of \$6,500 up to approximately \$12,000, since the 31 August 1964 effective date of the Claims Act. Two of these cases, concerning evacuations, were allowed in full approximate amount of net loss after depreciation. Settlement of another was satisfactorily supplemented by a court settlement of the claimant's lawsuit against a responsible company. The other case approved a Chief of Station recommendation to allow a staff employee \$6,500 for fire loss in quarters, after [REDACTED] disallowed the claim. In the latter, we estimated that would be the fair allowable net amount of loss after depreciation and allowance standards. (We resolved that case in favor of the claimant on a reasonable doubt that his servant's negligence had caused the fire.) [REDACTED]

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6. Finally, it may be worthy of note that civilian agencies would still be subject to any policies the President may prescribe. In the event the Bureau of the Budget should consider implementing this at some time, it is felt that this Agency would be highly interested.

[REDACTED]

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Claims Reviewing Officer  
Headquarters Board of Survey

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HBS: [REDACTED] jw/3354 (2 May 1969)

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